

INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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COUNTRY	Sino-Soviet Block; Increased	REPORT	
SUBJECT	Increased Marketing of Chinese Goods through Satellites	DATE DISTR.	20 June 1955
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This is UNEVALUATED Information

SOURCE EVALUATIONS ARE DEFINITIVE APPRAISAL OF CONTENT IS TENTATIVE

1. The East European Council for Mutual Economic Aid (CEMA) has decided to increase Satellite transit trade in Chinese exports destined for Western markets.
2. The Satellite countries are in a better position than China and the USSR for selling the goods, and obtaining foreign exchange (particularly dollars and pounds sterling), because of their clearing agreements, and they can therefore sell more cheaply. Payment for the goods can be arranged through their clearing with Western countries, either as part of compensation deals or against pounds, Belgian francs, or Deutsche marks.
3. The transit of the goods will be a paper transaction only. The goods will not pass through the countries concerned but will be shipped direct from China to the purchasing country.
4. As part of this development, which has been taking place since the middle of February 1955, Hungary is offering egg protein of Chinese origin.

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